



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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October 12, 2010

TO: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **FINANCIAL/COMPLIANCE AUDITS OF 2008-09 COUNTYWIDE STATE GRANTS**

The Chief Executive Office, District Attorney's Office (DA), Public Defender's Office, Probation Department, Department of Public Works, and the Sheriff's Department (Sheriff's) receive grants from the California Emergency Management Agency (CalEMA) and other State agencies. These grants require financial/compliance audits to ensure that State funding is used in accordance with applicable laws, regulations, policies and procedures.

Through our Master Agreement, we contracted with an independent Certified Public Accounting firm, Mayer Hoffman McCann P.C. (MHM), for the required financial/compliance audits of Countywide State grant programs. MHM audited 26 grant programs listed in Attachment A.

MHM reported their findings to the departments and copies of the reports have been sent to the appropriate State agencies. Of the total claimed costs of \$28,659,765, the reports identified questioned costs and disallowed costs totaling \$112,921. Of the total questioned costs, \$112,033 is a result of the DA inadvertently claiming a disallowed benefit item, Retirement Debt Service, for three grants. Therefore, to remedy the over-claimed amount, the DA has agreed to reimburse the State. The remaining \$888 in disallowed costs is a result of the Sheriff's over-reporting their match to CalEMA for one grant due to a computational error. However, this is not considered a reportable condition since the Sheriff's is still in compliance with the matching requirement of the grant after reducing the over-reported match amount.

The auditors did not identify any internal control issues but did identify a couple of compliance weaknesses that are not considered material. The impacted departments indicated they will take action to address the areas noted in the audit reports. In addition, all of the prior audit year findings were resolved and no similar findings were noted in this audit year.

Due to the number of audit reports, copies of individual reports are not enclosed but can be made available for your review if necessary. Please call me if you have any questions, or your staff may call Lisa Canada at (213) 974-8307 if you wish to review any reports.

WLW:MMO:JET:LC:MD:ic

Attachment

c: William T Fujioka, Chief Executive Officer
Steve Cooley, District Attorney
Leroy D. Baca, Sheriff
Michael P. Judge, Public Defender
Donald H. Blevins, Chief Probation Officer
Gail Farber, Director, Department of Public Works
Sachi A. Hamai, Executive Officer, Board of Supervisors
Public Information Office
Audit Committee

LOS ANGELES COUNTY
2008-09 COUNTYWIDE STATE GRANTS FINANCIAL/COMPLIANCE AUDITS

Attachment A

	DEPARTMENT	STATE GRANTOR AGENCY	GRANT NUMBER	GRANT PROGRAM	AUDIT PERIOD	CONTRACT AMOUNT AUDITED
1	Chief Executive Office	Department of Education	CLPC-8019	Local Planning Council Program	July 1, 2008 - June 30, 2009	\$378,422.00
2	Chief Executive Office	Department of Education	CRET-8018	Investing in Early Educators Program	July 1, 2008 - June 30, 2009	\$4,308,550.00
3	Chief Executive Office	Department of Education	CCEL-8019	Centralized Eligibility List Program	July 1, 2008 - June 30, 2009	\$531,828.00
					Subtotal	\$5,218,800.00
4	District Attorney	Department of Insurance	N/A	Automobile Insurance Fraud Program	July 1, 2008- June 30, 2009	\$4,427,188.00
5	District Attorney	Department of Insurance	N/A	Organized Automobile Fraud Activity Interdiction ("Urban Retreat") Program	July 1, 2008 - June 30, 2009	\$2,679,163.00
6	District Attorney	Department of Insurance	N/A	Workers' Compensation Insurance Fraud Program	July 1, 2008 - June 30, 2009	\$5,159,457.00
7	District Attorney	Department of Insurance	N/A	Disability and Healthcare Insurance Fraud Program	July 1, 2008 - June 30, 2009	\$515,481.00
8	District Attorney	California Emergency Management Agency	VB08060190	Vertical Prosecution Block Program	July 1, 2008 - June 30, 2009	\$1,002,505.00
9	District Attorney	California Emergency Management Agency	DC08B90190	ClearingHouse Electronic Surveillance System (CHESS)	July 1, 2008 - June 30, 2009	\$297,765.00
10	District Attorney	California Emergency Management Agency	EA 07080190	Elder Abuse Advocacy and Outreach Program	July 1 2008 - September 30, 2008	\$93,075.00
11	District Attorney	California Emergency Management Agency	EA 08090190	Elder Abuse Advocacy and Outreach Program	October 1, 2008 - June 30, 2009	\$137,731.00
12	District Attorney	Department of Corrections and Rehabilitation, Corrections Standards Authority	CSA 183-08	Juvenile Accountability Block Grant, Juvenile Offender's Intervention Network (JOIN) Program	July 1, 2008 - June 30, 2009	\$257,296.00
13	District Attorney	California Emergency Management Agency	SE08180190	Special Emphasis Victim Assistance Program	July 1, 2008 - June 30, 2009	\$116,875.00
14	District Attorney	California Emergency Management Agency	VV08040190	Stalking and Threat Assessment Team	July 1, 2008 - June 30, 2009	\$240,000.00
15	District Attorney	California Emergency Management Agency	VW08270190	Victim Witness Assistance Program	July 1, 2008 - June 30, 2009	\$3,233,121.00
16	District Attorney	California Emergency Management Agency	AG07020190	Project Safe Neighborhoods (PSN) Anti-Gang Initiative	July 1, 2008 - June 30, 2009	\$149,616.00
17	District Attorney	California Emergency Management Agency	US08D40190	Project Safe Neighborhoods (PSN) Gun Resource Prosecutor	October 1, 2008 - June 30, 2009	\$74,004.00
18	District Attorney	California Emergency Management Agency	UL06B10190	Six Cities Community Law Enforcement and Recovery (CLEAR) Program	July 1, 2008 - December 31, 2008	\$18,366.00
					Subtotal	\$18,401,643.00
19	Probation Department	California Emergency Management Agency	UL07A10190	Anti-Gang Initiative	April 1, 2007 - February 28, 2010	\$205,000.00

LOS ANGELES COUNTY
2008-09 COUNTYWIDE STATE GRANTS FINANCIAL/COMPLIANCE AUDITS

Attachment A

DEPARTMENT		STATE GRANTOR AGENCY	GRANT NUMBER	GRANT PROGRAM	AUDIT PERIOD	CONTRACT AMOUNT AUDITED
						Subtotal \$205,000.00
20	Public Defender's Office	Department of Corrections and Rehabilitation, Corrections Standards Authority	CSA 161-08	Juvenile Accountability Incentive Block Grant, Client Assessment Recommendation Evaluation (CARE) Project	July 1, 2008 - June 30, 2009	\$531,358.00
						Subtotal \$531,358.00
21	Department of Public Works	Department of Transportation	SR-2SL-5953 (532)	Safe Route to School Program (SR2S), Indian Summer Avenue	September 14, 2006 - September 30, 2009	\$500,000.00
						Subtotal \$500,000.00
22	Sheriff's Department	California Emergency Management Agency	HT08090190	Southern California High Tech Task Force	July 1, 2008 - June 30, 2009	\$1,602,348.00
23	Sheriff's Department	California Emergency Management Agency	HD08080190	Southern California High Tech Task Force - Identity Theft Detail	July 1, 2008 - June 30, 2009	\$509,666.00
24	Sheriff's Department	California Emergency Management Agency	GV08040190	Antelope Valley Gang Violence Suppression Program	July 1, 2008 - June 30, 2009	\$399,811.00
25	Sheriff's Department	California Emergency Management Agency	SF08030190	Los County Regional Sexual Assault Felony Enforcement Team	July 1, 2008 - June 30, 2009	\$706,915.00
26	Sheriff's Department	California Emergency Management Agency	MH08030190	California Multi-Jurisdictional Methamphetamine Enforcement (Cal-MNET) Team	October 1, 2008 - June 30, 2009	\$584,224.00
						Subtotal \$3,802,964.00
						TOTAL \$28,659,765.00